PENA NOMINATION/Energy Secretary

SUBJECT: Nomination of Federico Pena, of Colorado, to be Secretary of Energy. Confirmation.

ACTION: NOMINATION CONFIRMED, 99-1

SYNOPSIS: Federico Pena was born in Laredo, Texas, in 1947. He received his undergraduate degree and his law degree from the University of Texas. He has been a civil rights lawyer and has served in the Colorado State legislature. From 1983-1991 he served as the Mayor of Denver, Colorado, and from 1993-1996 he served as the Secretary of Transportation.

Those favoring confirmation contended:

We are delighted to have the opportunity to vote for this nominee. Many of us have known Federico Pena for a number of years, and can attest to his personal integrity. Nearly all of us have worked with him during his tenure at the Department of Transportation, and are therefore very familiar with his exceptional management capabilities. Under his leadership, bureaucracy at the Department has been cut and its operations have been made more effective. At the Department of Energy, Secretary Pena is going to have to address many important and contentious issues, including nuclear waste disposal, nuclear testing, the maintenance of the nuclear stockpile, and energy development. We are confident that he is up to the task, and urge our colleagues to join us in voting in his favor.

While favoring confirmation, some Senators expressed the following reservations:

We have a number of ethical concerns about this nominee. For instance, we know of allegations that Secretary Pena was involved as Transportation Secretary in the reinstatement of a Coast Guard contract that had been terminated for nonperformance, and that had resulted in a Federal Bureau of Investigation recommendation that the company involved, the D.M.E. corporation, be prosecuted for fraud. Coast Guard officials believed that Secretary Pena wanted them to reinstate that contract; Secretary Pena, as we understand

(See other side) **YEAS (99)** NAYS (1) NOT VOTING (0) Republicans Republican **Democrats Democrats** Republicans **Democrats** (54 or 98%) (45 or 100%) (1 or 2%) (0 or 0%) (0)(0)Abraham Hutchinson Akaka Johnson Grams Baucus Allard Hutchison Kennedy Ashcroft Inhofe Biden Kerrey Jeffords Bennett Bingaman Kerry Bond Kempthorne Boxer Kohĺ Brownback Kyl Breaux Landrieu Burns Lautenberg Lott Bryan Campbell Lugar Bumpers Leahy Chafee Mack Byrd Levin Coats McCain Cleland Lieberman Cochran McConnell Conrad Mikulski Collins Murkowski Daschle Moseley-Braun Moynihan Coverdell Nickles Dodd Craig Roberts Dorgan Murray D'Amato Roth Durbin Reed DeWine Santorum Reid Feingold Domenici Sessions Feinstein Robb Shelby Ford Rockefeller Enzi **EXPLANATION OF ABSENCE:** Smith, Bob Faircloth Glenn Sarbanes 1—Official Business Frist Smith, Gordon Graham Torricelli 2-Necessarily Absent Gorton Snowe Harkin Wellstone 3—Illness Gramm Specter Hollings Wyden 4—Other Grassley Stevens Inouve Gregg Thomas SYMBOLS: Hagel Thompson Hatch Thurmond AY—Announced Yea Helms AN-Announced Nay PY-Paired Yea PN-Paired Nay

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it, simply maintained that those officials were mistaken. Another concern we have is from when Secretary Pena was the Mayor of Denver. A construction company that was a strong financial backer of the Mayor's submitted a bid for an airport project; that bid was disqualified; instead of allowing the contract to go to the top bidder, Mayor Pena then voided the first round of bidding and set up a second round of bidding which the company that gave him financial support won. We believe this case indicates favoritism. Ordinarily when these types of concerns surface about a nominee Senators gather more information. In this case, though, Secretary Pena is well known and highly thought of by Members on both sides of the aisle. Therefore, most Senators do not believe further scrutiny is necessary. We think that a dangerous assumption is being made. Senators should not allow their favorable opinion of a nominee stop them from giving that nominee the same thorough scrutiny that they give to all other nominees. Nevertheless, we are about to vote. Based on the information we now have, we agree that Secretary Pena is well qualified to serve as Secretary of Energy, and we have only indications, not evidence, of ethical problems. Therefore, we will vote in favor of his confirmation.

Those opposing confirmation contended:

We share our colleagues' opinion of Mr. Pena's accomplishments and character, but we do not believe he will stand up to the Clinton Administration, and in particular to Vice President Gore, on the issue of nuclear waste disposal. In 1982, utility ratepayers in States with nuclear power plants begin paying into a Federal nuclear waste disposal fund. To date, nearly \$13 billion has been collected. In return, the Department of Energy is legally obligated to use that money to build a permanent nuclear waste repository that will store all of the United States' high-level nuclear waste. That repository is legally required to start accepting waste by January 31, 1998. So far the Department of Energy has spent \$6 billion of the \$13 billion, but it has not even definitively selected a storage site. The only site still under consideration is at Yucca Mountain, Nevada. Construction at that site could be well under way if not for the Vice President's opposition. Out-going Energy Secretary O'Leary indicated that it was Vice President Gore who stopped the Energy Department from moving to fulfill its legal obligation to start accepting nuclear waste by the deadline. We believe that Vice President Gore is motivated by extremist environmental politics. Currently, 25 percent of the energy produced in the United States comes from nuclear power plants. Those power plants produce nuclear waste. That waste is stored on-site. It is in 80 separate locations in 41 States. Many of those areas have reached their normal maximum storage capacities, and are only able to continue to store waste by using the extremely expensive dry-cask storage method. Even using this method many nuclear utilities are soon going to run out of available storage space. The nuclear plants will then have to shut down. That is the result that we believe environmental extremists like the Vice President are attempting to achieve. They do not care that the cost of electricity will then rise for all Americans as this power source is lost. They do not care that having the Federal Government renege on its legal requirement to take that waste will result in utility ratepayers having to pay, in perpetuity, the much higher costs of permanent on-site storage at 80 separate locations. They do not care that many of the current waste repositories are in highly populated areas, including areas very close to Washington, D.C., and that it would obviously be safer for tens of millions of Americans if that waste were moved to a single, remote, well-guarded facility. Their one goal, to the exclusion of all others, is to shut down nuclear power plants. The Vice President has recently indicated that he does not believe that the Federal Government should honor its legal obligation to accept the waste. We have spoken with Mr. Pena about our concerns, and he has given us assurances that he believes that it is a Federal problem, but he has not been willing to go any further than saying that he will work with Congress to resolve the problem. We have also spoken with the White House on this matter, and we have been assured that the Administration remains committed to building a permanent storage facility. This assurance was in welcome contrast to the Vice President's recent statements. Additionally, the White House has told us that Secretary Pena will have authority to work with Congress on this issue. While these assurances are welcome, we still cannot vote for this nominee because neither he nor the Clinton Administration have been willing to admit to the Federal Government's specific legal responsibility to begin accepting and storing nuclear waste by 1998. Therefore, with regret, we oppose confirmation.